



Department of Justice

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GRAND JURY RETURNS INDICTMENT CHARGING TWO IN \$2.9 MILLION WIRE FRAUD SCHEME

David C. Weiss, United States Attorney for the District of Delaware, announced today the unsealing of an indictment returned by a federal grand jury on December 10, 2009, charging Keith Singleton, age 41, of Schwenksville, Pennsylvania, and Eugene Watson, age 30, of Philadelphia, Pennsylvania, with organizing a scheme to defraud Citigroup, Inc. ("Citigroup") out of approximately \$2.9 million.

In the Indictment, Mr. Singleton and Mr. Watson are both charged with conspiracy to commit wire fraud, in violation of 18 U.S.C. § 1349, and with 16 individual counts of wire fraud, in violation of 18 U.S.C. § 1343. Mr. Singleton is also charged with two counts of engaging in monetary transactions in property derived from specified unlawful activity, in violation of 18 U.S.C. § 1957. The charges of conspiracy to commit wire fraud and wire fraud each carry a maximum penalty of 30 years imprisonment, a \$250,000 fine, 5 years of supervised release and a \$100 special assessment. The charges of engaging in monetary transactions in property derived from specified unlawful activity each carry a maximum penalty of 10 years imprisonment, a fine of either \$250,000 or two times the amount involved in the transaction, three years supervised release and a \$100 special assessment.

The Indictment alleges that beginning in or about December 2006, the defendants conspired with C.S., a separately indicted co-conspirator, who was employed by Citigroup in that company's Loan Operations Department, located in New Castle, Delaware. In her position at Citigroup, C.S. was responsible for ensuring that payments Citigroup received from borrowers regarding certain loan transactions were properly transferred from a Citigroup account into the bank accounts of the other various participants or agents involved in the transactions.

The Indictment alleges that from December 2006 through March 2007, the defendants and C.S. agreed that C.S. would send 21 different individual wire transfers of funds, totaling approximately \$2.9 million, to bank accounts that were unrelated to any legitimate Citigroup transaction. In fact, these bank accounts were all accounts held either in Mr. Singleton's name, in Mr. Watson's name, in the name of Mr. Singleton's business, or in the name of associates of Mr.

Singleton or Mr. Watson. Mr. Singleton and Mr. Watson had provided C.S. with the relevant bank account numbers and routing numbers for these accounts prior to the transfers.

The Indictment alleges that Mr. Singleton, Mr. Watson and C.S. split the proceeds of this fraud. It states that Mr. Singleton and Mr. Watson provided C.S. with various types of financial benefits in return for her role in the scheme, including (1) direct cash payments; (2) checks made out to her, to her friends and to her family members; and (3) access to various financial accounts that she could use to make personal purchases. It also alleges that Mr. Singleton and Mr. Watson used some of the fraud proceeds for their own personal benefit, including for the purchase of luxury items and to pay off personal debts.

The case was investigated by the United States Postal Inspection Service and the United States Secret Service. It is being prosecuted by Assistant United States Attorney Christopher J. Burke.

Members of the public are reminded that an indictment is only an allegation and that a defendant is presumed innocent until proven guilty.

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